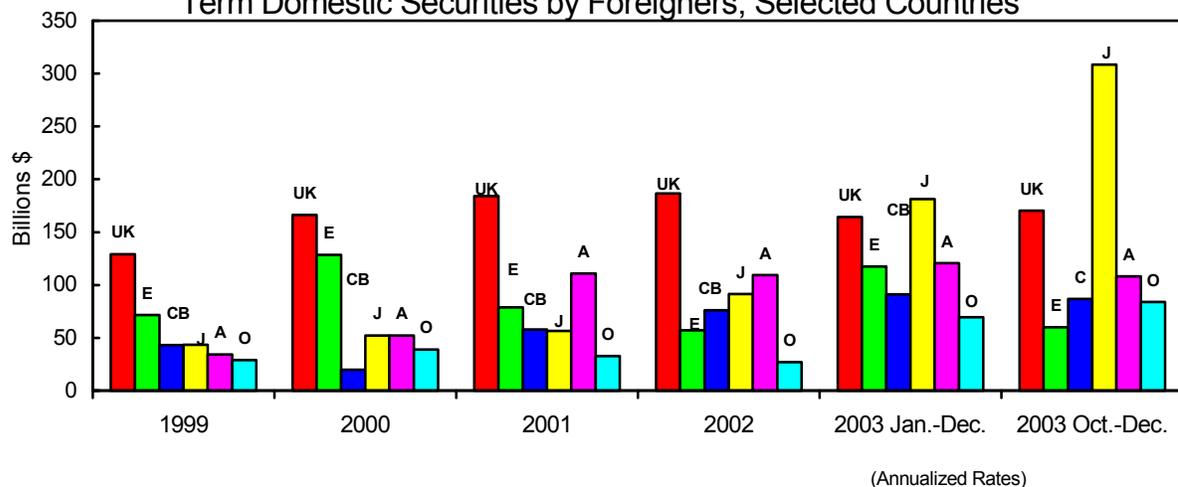


Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



[In millions of dollars. Source: Office of International Financial Analysis]

| Country                                              | 2000    | 2001    | 2002    | 2003<br>Jan. - Dec. | 2003<br>Oct. - Dec. |
|------------------------------------------------------|---------|---------|---------|---------------------|---------------------|
| United Kingdom.....                                  | 166,290 | 183,986 | 186,691 | 164,355             | 42,557              |
| All other Europe.....                                | 128,577 | 78,921  | 57,064  | 117,575             | 15,018              |
| Caribbean banking ctrs <sup>1</sup> <sup>2</sup> ... | 19,883  | 57,817  | 76,144  | 90,998              | 21,708              |
| Japan.....                                           | 52,006  | 56,589  | 91,412  | 181,262             | 77,128              |
| All other Asia.....                                  | 52,151  | 110,995 | 109,314 | 120,737             | 27,037              |
| Subtotal.....                                        | 418,907 | 488,308 | 520,625 | 674,927             | 183,448             |
| All other countries.....                             | 38,921  | 32,541  | 26,940  | 69,556              | 20,947              |
| Grand total.....                                     | 457,828 | 520,849 | 547,565 | 744,483             | 204,395             |

<sup>1</sup> Includes Bahamas, Bermuda, British West Indies, Cayman Islands, Netherlands Antilles, and Panama.

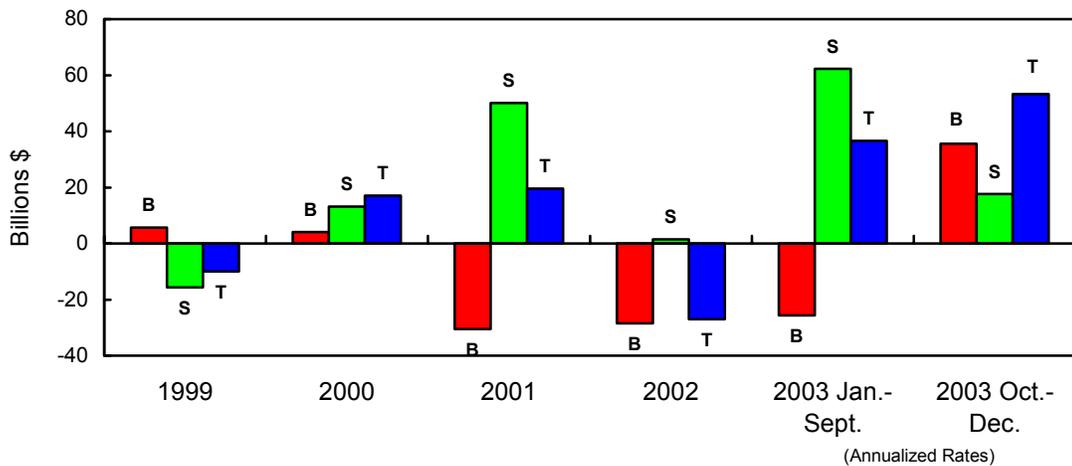
<sup>2</sup> Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

The data on this page represent foreign investors' purchases and sales of long-term U.S. securities (that is, U.S. Treasury and Government agency bonds and notes, and U.S. corporate bonds and stocks) as reported to the Treasury International Capital (TIC) reporting system. Foreign investors also acquired U.S. equities through mergers that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps amounted to \$21 billion in 2000, \$7 billion in both 2001 and 2002, and zero in 2003. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are now available on the TIC web site.

The data present aggregate net purchases for 2000 through 2003. The figures show that foreigners' annual net purchases (gross purchases minus gross sales) of U.S. securities have maintained an extremely high level since 2000.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2002, net acquisitions (including stock swaps) of U.S. securities totaled a record \$554 billion. In 2003, net foreign acquisitions of U.S. securities accelerated to a record \$744 billion.

Chart CM-D -- Net Purchases of Long-Term Foreign Securities  
by U.S. Investors\*



■ Foreign bonds (B)   
 ■ Foreign stocks (S)   
 ■ Total foreign securities (T)

[In millions of dollars. Source: Office of International Financial Analysis]

| Type                | 1999    | 2000   | 2001    | 2002    | 2003<br>Jan.-Dec. | 2003<br>Oct.-Dec. |
|---------------------|---------|--------|---------|---------|-------------------|-------------------|
| Foreign Bonds.....  | 5,676   | 4,054  | -30,502 | -28,492 | -25,655           | 8,894             |
| Foreign Stocks..... | -15,640 | 13,088 | 50,113  | 1,493   | 62,274            | 4,420             |
| Total.....          | -9,964  | 17,142 | 19,611  | -26,999 | 36,619            | 13,314            |

\* Net purchases by U.S. investors equal net sales by foreigners, or gross sales minus gross purchases of securities.

The data on this page represent U.S. investors' purchases and sales of long-term foreign securities as reported to the Treasury International Capital (TIC) reporting system. However, in the past several years, U.S. investors also have acquired a substantial amount of foreign stocks, mostly European, through mergers that involve stock swaps. Net acquisitions through stock swaps amounted to \$80 billion in 2000, \$45 billion in 2001, only \$3 billion in 2002, and \$15 billion in 2003. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are now available on the TIC web site.

Including the stock swaps, annual U.S. net purchases of long-term foreign securities averaged about \$100 billion from the mid-1990s through 2000, without much variation from year to year. U.S. investors' acquisitions of foreign securities (including stock swaps) fell to \$65 billion in 2001. In 2002, on net U.S. investors sold \$24 billion in foreign securities. In 2003, strong U.S. demand for foreign equities offset net sales of foreign bonds; on net (including stock swaps), U.S. investors acquired \$52 billion in foreign securities in the year.